Compliance Panel Report on Cotton Bed Linen

495. SHRI PREM CHAND GUPTA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that Government have decided to apeal in the World Trade Organisation Appellate Body against the Compliance Panel Report on cotton bed linen, which favoured the imposition of anti-dumping duty on the product; and

(b) if so, the latest position of the case?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY): (a) and (b) Indian had resorted to World Trade Organization's (WTO) Dispute Settlement Mechanism and challenged the anti dumping duty imposed by European Communities (EC) on imports of bed linen from India. On 12 March 2001 the Dispute Settlement Body (DSB) adopted the Appellate Body Report and the Panel Report as modified by the Appellate Body, in this dispute. These Reports concluded that the EC's imposition of definitive anti-dumping duties on imports of cotton-type bed linen from India had been inconsistent with the Anti-dumping Agreement. Pursuant to the recommendations of these Reports, the DSB requested the European Communities to bring its measure into conformity with its obligatinos under the Anti-dumping Agreement. Subsequently EC undertook a review of the anti-dumping measure and re-determined the level of anti-dumping duty. However, the application of the duty was suspended. India strongly disagreed with the re-determination and at its request a Compliance Panel had been constituted to examine the consistency of measures taken by EC in compliance with the decision of the DSB in the original bed linen dispute with EC. The Compliance Panel has concluded that EC has implemented the recommendations of the DSB in the original bed linen dispute.

India has appealed to the WT O's Appellate Body certain issues of law and legal interpretations covered in the Compliance Panel Report in this dispute. A Notice of Appeal was filed by India before the Dispute Settlement Body of the WTO on 8th January, 2003, after which the appellate proceedings have commenced.